SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Briggs   Analyst: Marion Mann DeJong   Bill Number: AB 1016

Related Bills: See Legislative History   Telephone: 845-6979   Amended Date: 05/19/1999

Attorney: Patrick Kusiak   Sponsor:

SUBJECT: Confidentiality/Taxpayer Communications

_____	DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
_____	AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
_____	AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
_____	FURTHER AMENDMENTS NECESSARY.
_____	DEPARTMENT POSITION CHANGED TO _____.
X	REMAINDER OF PREVIOUS ANALYSES OF BILL AS INTRODUCED AND AMENDED STILL APPLY.
_____	OTHER - See comments below.

SUMMARY OF BILL

This bill would entitle a taxpayer to the same protections of confidentiality applicable to communications with respect to the tax advice given by any federally authorized tax practitioner, as the taxpayer would have to communications if the advising individual were an attorney. The privilege would apply in any noncriminal tax proceeding before the Franchise Tax Board (FTB).

This bill also would provide similar protections for proceedings before the Board of Equalization (BOE) or Employment Development Department (EDD). These provisions are not discussed in this analysis, as they do not impact the programs administered by the department.

SUMMARY OF AMENDMENT

The May 19, 1999, amendments made the following changes:

- Removed BOE and EDD from the code section administered by FTB and inserted similar provisions in the codes administered by those agencies.
- Changed "taxpayer" to "client" as appropriate.
- Corrected a cross-reference to the Evidence Code.
- Changed "employer" to "employee" as appropriate.

The May 19, 19999, amendments resolved the technical considerations raised in the department's analysis of the bill as amended April 21, 1999. The Background and current law discussion of Specific Findings in the department's analysis of the bill as introduced February 25, 1999, still apply. Except for the Technical Considerations, the department's analysis of the bill as amended April 21, 1999, still applies. The Board Position remains pending.

Board Position:			Department/Legislative Director Date
_____ S	_____ NA	_____ NP	
_____ SA	_____ O	_____ NAR	
_____ N	_____ OUA	X PENDING	**Johnnie Lou Rosas** **5/25/1999**